

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
Third Reader

Senate Bill 864

(Senator A. Washington)

Education, Energy, and the Environment

Appropriations

Higher Education - Tuition Exemption for Foster Care Recipients - Eligibility

This bill lowers the age on or after which an individual must have resided in an out-of-home placement to qualify for a tuition and mandatory fee exemption as a foster care recipient at public institutions of higher education. Under the bill, eligible individuals include those who resided in an out-of-home placement on or after the individual's *eighth* birthday (lowered from thirteenth birthday under current law) for at least one year and were placed into guardianship, adopted, or reunited with at least one of the individual's parents. **The bill takes effect July 1, 2026.**

Fiscal Summary

State Effect: Higher education tuition revenues decrease, potentially significantly, due to additional tuition waivers granted beginning in FY 2027. Higher education expenditures increase by an indeterminate amount annually.

Local Effect: Tuition revenues at community colleges decrease, potentially significantly, due to additional tuition waivers granted beginning in FY 2027. Community college expenditures increase annually by an indeterminate amount. **This bill imposes a mandate on a unit of local government.**

Small Business Effect: None.

Analysis

Current Law: Specified foster care recipients and homeless youth are eligible for a tuition exemption (also called a waiver) for all credit-bearing and noncredit courses (including mandatory fees) to attend a public institution of higher education in Maryland.

To be eligible, a foster care recipient or homeless youth must (1) enroll at the institution prior to the individual's twenty-fifth birthday; (2) enroll as a candidate for a vocational certificate, an associate's degree, or a bachelor's degree; and (3) file for federal and State financial aid. Specified individuals remain eligible until 10 years after enrolling as a candidate for an associate's degree or bachelor's degree or the date the individual is awarded a bachelor's degree, whichever is earlier. Any scholarship or grants may not be applied to the tuition of an eligible individual.

For the purposes of the waiver, "tuition" includes charges for registration and all fees for credit-bearing and noncredit courses required as a condition of enrollment.

If a public institution of higher education provides on-campus housing, a foster care recipient or homeless youth who is exempt from tuition under this section must receive priority consideration for on-campus housing at the institution at which the student is enrolled.

Each public institution must designate a homeless and foster student liaison to assist specified students with applying for financial aid. The liaison must have expertise in the financial aid eligibility of homeless and foster students. The liaison must also provide assistance to homeless and foster students in applying for federal and State financial aid or other assistance for which they may be eligible.

Each public institution must inform current and prospective students about the liaison and the services they provide. Each public institution of higher education must also make the application for the tuition waiver available to current and prospective students and notify students about the application. Each public institution must also establish a specified appeals process for the tuition waiver.

Foster Care Recipients Eligible for the Tuition Waiver

The following foster care recipients are eligible for the tuition waiver:

- a foster care recipient who was placed in an out-of-home placement by the Department of Human Services (DHS) and resided in an out-of-home placement on the individual's eighteenth birthday or at the time the individual graduated from high school or successfully completed a GED; and
- a foster care recipient who resided in an out-of-home placement on or after the individual's thirteenth birthday for at least one year and was placed into guardianship, adopted, or reunited with at least one of the individual's parents.

Younger siblings of those eligible for the tuition waiver are also eligible if they are concurrently placed into guardianship or adopted out of an out-of-home placement by the same guardianship or adoptive family.

Homeless Youth Eligible for the Tuition Waiver

“Homeless youth” is defined as a child or youth who (1) has had a consistent presence in the State for at least one year before enrollment in a public institution of higher education that is documented as specified and (2) is a homeless child or youth, as defined by the McKinney-Vento Homeless Assistance Act, at any time during the 24 months immediately preceding the student’s enrollment in a public institution of higher education or while the student is enrolled in a public institution of higher education by specified individuals. If a public institution of higher education determines that a student is a homeless youth, on request of the student, the institution must notify any public institution in which the student subsequently enrolls of the student’s designation as a homeless youth. The notified institution must then designate the student as a homeless youth.

Reporting Requirements

By June 1 each year, each public institution of higher education must report to the Maryland Higher Education Commission (MHEC) on the specified information on (1) foster care recipients and homeless youth who received tuition waivers and (2) the forms used in conjunction with the foster care recipients and homeless youth tuition waivers.

State Fiscal Effect: Higher education tuition revenues decrease beginning in fiscal 2027 due to the expansion of the foster care youth tuition waiver program. Higher education expenditures also increase due to additional enrollment, though the exact amount cannot be determined as it depends on the number of credits each recipient chooses to enroll in.

The *total* number of newly eligible students under the bill is unknown at this time, however DHS advises that the number of youth between the ages of eight and twelve who left care through adoption, guardianship, or reunification was 198 in fiscal 2024 and 182 in fiscal 2025. Not all foster care youth will choose to pursue postsecondary education before their twenty-fifth birthday (or choose to do so at a public institution of higher education in the State). According to the Maryland State Department of Education 2025 [Maryland Report Card](#), 62 foster care recipients graduated from Maryland public schools, and the graduation rate for foster care students was approximately 47%. The Maryland Longitudinal Data System Center also publishes a dashboard with additional information on [foster care and higher education participation](#), which shows that about 57% of waiver-eligible foster youth were college-going over the time period 2011 to 2021. 92% of those college-going students chose to attend an in-State institution. Each additional foster student who takes advantage of a tuition waiver decreases higher education revenues

by the amount of tuition that would otherwise be paid for the foster youth's attendance. Higher education expenditures also increase due to additional enrollments by an indeterminate amount.

The simple average of annual tuition and fees for full-time resident undergraduates at public four-year institutions for fall 2026 (fiscal 2027) pending final approval is \$11,192. The actual amount of the revenue decrease per full-time equivalent student (FTES) may be less depending on the number of credits attempted per recipient and the distribution of institutions that waiver recipients choose to attend. According to [MHEC data](#), 130 foster care recipients received a tuition waiver to attend public four-year institutions in fiscal 2024. Tuition revenues may also decrease at Baltimore City Community College (BCCC), the only State-operated community college, by an estimated \$3,314 per FTES receiving a waiver based on fall 2024 (fiscal 2025) tuition and fee data.

Local Fiscal Effect: Tuition revenues at locally operated community colleges decrease beginning in fiscal 2027. As discussed above, the impact may be significant for an individual college but cannot be reliably quantified. The average annual tuition and fees for full-time in-county students at the community colleges (excluding BCCC) for fall 2024 (fiscal 2025) is \$5,004. The actual amount of the revenue decrease per FTES may be less depending on the number of credits attempted per student and the distribution of institutions waiver recipients choose to attend and may vary each year.

According to MHEC data, 222 foster care recipients received a tuition waiver to attend community colleges in fiscal 2024 at an average cost of \$2,387 per recipient and a total cost of approximately \$529,870 (inclusive of BCCC). Community college expenditures also increase, as discussed above, but the amount cannot be determined.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: HB 982 (Delegate Mireku-North, *et al.*) - Appropriations.

Information Source(s): Department of Human Services; Maryland Higher Education Commission; Morgan State University; University System of Maryland; Maryland Longitudinal Data System Center; Department of Legislative Services

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